

OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
CHESAPEAKE UTILITIES CORPORATION FOR)
APPROVAL OF A CHANGE IN ITS GAS) PSC DOCKET NO. 19-0573
SALES SERVICE RATES (FILED SEPTEMBER 3, 2019))

ORDER NO. 9598

AND NOW, this 3rd day of June 2020, the Delaware Public Service Commission (“Commission”) determines and orders the following:

WHEREAS, on September 3, 2019, Chesapeake Utilities Corporation (“Chesapeake” or the “Company”) filed with the Commission the above-captioned application (the “Application”) seeking approval to change its Gas Sales Service Rates (“GSR”) effective for usage on or after November 1, 2019, and

WHEREAS, by Order No. 9464 dated September 26, 2019, the Commission determined, pursuant to 26 *Del. C.* §§ 303(b), 304 and 306, that the proposed modifications to the GSR rates and other requested revisions to the Company's natural gas tariff should be permitted to become effective for natural gas usage on or after November 1, 2019, with proration and subject to refund, pending further review and the Commission's final decision; and

WHEREAS, Tariff Sheet No. 42 of the Company's natural gas tariff requires that if, during a GSR year, an estimated under-recovery in the GSR should exceed a 6% threshold, Chesapeake should apply for a change in GSR; and

WHEREAS, on April 30, 2020, Chesapeake submitted a letter application (“Letter Application”) to the Commission: (1) advising the Commission that its current estimates indicate

an under-collection that will exceed the 6% threshold amount set forth in Tariff Sheet No. 42 of the Company's tariff and is currently at 9.52%, or approximately \$4,172,289; and (2) requesting a waiver of Tariff Sheet No. 42 requiring it to request an interim GSR increase; and

WHEREAS, Chesapeake asserted that the most significant driver of the projected under-recovery was increased interstate pipeline demand costs and a decrease in usage; and

WHEREAS, in its Letter Application, the Company stated that it was requesting a waiver of Tariff Sheet No. 42 because such a filing would not be in its customers' best interest because:

- a. An interim rate increase at this time would do little to impact the over/under collection balance to be carried forward in Chesapeake's next GSR period (beginning on November 1, 2020). The majority of consumption on Chesapeake's system occurs during the heating season of the winter months. Low consumption volumes are projected for the remainder of the GSR period (May through October 2020) and as such would provide minimal ability to reduce the currently projected under-collection balance.
- b. The preparation of an interim rate filing by Chesapeake, and subsequent review of that filing by the Commission Staff, the Public Advocate, and the Commission would require a significant amount of time and resources. As noted, an interim rate would do little to impact the projected under-collection balance making the preparation and review of an interim rate an inefficient use of time and resources, and;

WHEREAS, Staff has reviewed the Letter Application and recommends that the Company's requested waiver be granted; and

WHEREAS, the Division of the Public Advocate ("DPA") has not objected to the requested waiver; and

WHEREAS, having reviewed the Letter Application and having considered the proffered reasons for the requested waiver, as well as Staff's recommendation regarding the requested

waiver and the DPA's non-opposition to the requested waiver, the Commission concludes that the requested waiver should be granted for the reasons set forth in the Letter Application;

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE VOTE
OF NOT FEWER THAN THREE COMMISSIONERS:**

1. That Chesapeake Utilities Corporation's request for a waiver of the provisions of Tariff Sheet No. 42 of is **GRANTED**.

2. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chairman

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary